

called him, and he responded with all of his ability and strength.”

Ralph Bunche went on to become the U.N. Undersecretary-General, but he is probably best remembered as the recipient of the 1950 Nobel Peace Prize, which he was awarded for negotiating the armistice that ended military hostilities between the new State of Israel and its enemies. He was not only the first African American to receive the prize, he was also the first person of color; as an American, he joined the distinguished community of U.S. laureates that included Presidents Theodore Roosevelt and Woodrow Wilson, Jane Adams and Nicholas Murray Butler.

In his own view, however, the Nobel Prize was not at all his most significant accomplishment, and his initial reaction upon being informed of the award was to decline it: “Peacemaking at the U.N. was not done for prizes,” he explained. He agreed to accept only when the argument was put to him that it would be good for the United Nations. Rather, Ralph Bunche gave a quarter-century of dedicated service to the United Nations, working day in and day out to build and secure harmonious relations among free and prosperous nations.

Ralph Bunche touched the life of everyone who knew him. He is remembered as “brilliant,” with “an uncanny ability to produce stupendous amounts of work over long sustained periods of application;” as someone who “play(ed) to win, but always played fair;” as “a man of extraordinary kindness and compassion (who) never turned his back on those in trouble;” as a person. Kenneth Clark has paid him an eloquent and enduring tribute as “above all the model of a human being who by his total personality demonstrated that disciplined human intelligence and courage were most effective instruments in the struggle for social justice.”

CBO SUMMARY OF S. 1522

Ms. COLLINS. I ask unanimous consent that the following CBO summary of the cost estimate regarding S. 1522 be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

CONGRESSIONAL BUDGET OFFICE COST ESTIMATE  
S. 1522—GAO Human Capital Reform Act of 2003

Summary: S. 1522 would authorize the General Accounting Office (GAO) to modify its

personnel and workforce practices to allow greater flexibility in determining pay increases, pay retention rules, and other compensation matters. The bill also would permanently extend GAO’s authority to offer separation (buyout) payments and early retirement to employees who voluntarily leave GAO. Finally, S. 1522 would rename GAO as the Government Accountability Office.

CBO estimates that enacting S. 1522 would increase direct spending for retirement annuities and related health benefits by about \$1 million in fiscal year 2004, by \$19 million over the 2004–2008 period, and by \$40 million over the 2004–2013 period. Several provisions of S. 1522 could affect GAO employee compensation costs, but the net budgetary effect of such provisions would depend on how GAO exercises its new authorities and on whether future agency appropriations are adjusted to reflect any savings or costs. Finally, we expect that any additional discretionary costs associated with changing the agency’s name would not be significant.

S. 1522 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandate Reform Act (UMRA) and would not affect the budgets of state, local, or tribal governments.

Estimated costs to the Federal Government: The estimated impact of S. 1522 on direct spending is shown in the following table. The costs of this legislation fall within budget function 800 (general government).

	By fiscal year, in millions of dollars—									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
CHANGES IN DIRECT SPENDING										
Estimated budget authority .....	1	3	5	5	5	5	4	4	4	4
Estimated outlays .....	1	3	5	5	5	5	4	4	4	4

Basis of estimate

Direct spending

S. 1522 would give GAO permanent authority to offer retirement to employees who voluntarily leave the agency early. GAO’s existing buyout authority, which will expire on December 31, 2003, allows the agency to offer certain employees a lump sum payment of up to \$25,000 to voluntarily leave the agency. In addition, certain qualified employees who leave (whether they collect a separation payment or not) are entitled to receive immediate retirement annuities earlier than they would have otherwise. CBO estimates that extending this authority would increase direct spending by \$1 million in 2004, by \$19 million over the 2004–2008 period, and by \$40 million over the 2004–2013 period.

Based on information provided by GAO about use of its early retirement authority over the past several years, CBO estimates that each year about 35 agency employees would begin receiving retirement benefits three years earlier than they would have under current law. Inducing some employees to retire early results in higher-than-expected benefits from the Civil Service Retirement and Disability Fund (CSRDF). CBO estimates that the additional retirement benefits would increase direct spending by \$1 million in 2004, by \$16 million over the 2004–2008 period, and by \$32 million over the 2004–2013 period.

Extending GAO’s buyout and early retirement authority also would increase direct spending for federal retiree health benefits. Many employees who retire early would continue to be eligible for coverage under the Federal Employees’ Health Benefits (FEHB) program. The government’s share of the premium for retirees is classified as mandatory spending. Because many of those accepting the buyouts under the bill would have re-

tired later under current law, mandatory spending on FEHB premiums would increase. CBO estimates these additional benefits would increase direct spending by less than \$500,000 in 2004, by \$3 million over the 2004–2008 period, and by \$8 million over the 2004–2013 period.

Spending subject to appropriation

The authorities provided by S. 1522 would allow GAO to create a performance-based employee compensation system to govern basic pay adjustments, pay retention for employees affected by reductions in force, relocation reimbursements, and annual leave accruals beginning in fiscal year 2006. (Under existing law, GAO is required to follow personnel management policies determined by the Office of Personnel Management.) Implementing the new authorities that would be provided by S. 1522 could affect GAO’s total costs of providing employee compensation, but CBO cannot predict any cost or saving associated with these new authorities, or the net effect of all such changes on the Federal budget. Ultimately, the net budgetary effect of the proposed authorities would depend on the features of the compensation system adopted by GAO and on how the agency applies that new system to individual employees. Moreover, any resulting savings or costs would only be realized if the agency’s annual appropriations are adjusted accordingly.

Providing GAO with the option of providing voluntary separation payments could also increase GAO’s costs, but CBO estimates that any new costs would average less than \$500,000 annually over the 2004–2013 period. Section 2 of the bill would allow GAO to offer certain employees payments of up to \$25,000 to voluntarily leave the agency. The bill also requires that GAO make a deposit amounting to 45 percent of each buyout recipient’s basic salary toward the CSRDF.

Unlike an increase in retirement benefits, these two payments would be from the agency’s discretionary budget and are thus subject to appropriation. Since GAO’s current buyout authority was first authorized in October 2000, no one at the agency has received a buyout payment. As such, CBO expects that relatively few employees would receive a buyout payment over the next 10 years and that the cost of any buyout payments and required deposits toward the CSRDF would be negligible in any given year.

Intergovernmental and private-sector impact: S. 1522 contains no intergovernmental or private-sector mandates as defined in UMRA and would not affect the budgets of State, local, or tribal governments.

Estimate prepared by: Federal Costs: Ellen Hays, Geoffrey Gerhardt, and Deborah Reis. Impact on State, Local, and Tribal Governments: Sarah Puro. Impact on the Private Sector: Paige Piper/Bach.

Estimate approved by: Peter H. Fontaine, Deputy Assistant Director for Budget Analysis.

GROUP OF EIGHT

Mr. LIEBERMAN. Mr. President, I rise today to discuss a matter of great importance related to Russia’s continued participation in the Group of Eight, or G–8. Senator McCain and I submitted today a resolution calling on the President of the United States and the Secretary of State to work with our partners in the G–8 to condition Russia’s continued involvement on its meetings the basic norms and standards of a democratic government.

The G–8 is a gathering of the world’s wealthiest industrial democracies. It is

important that we do not lose sight of this world. It is well and good that all of the G-8 members are wealthy industrialized nations, but the real thing that binds us, the real thing that makes it a club worth joining is the fact that all of the participants are democracies. It is for this reason that China is not a member.

When President Clinton discussed Russia's joining the G-8 back in 1997 when Russia participated in the summit in Denver, he attributed Russia's participation to "President Yeltsin's leadership and to the commitment of the Russian people to democracy and reform."

But the actions of President Yeltsin's successor, President Putin, over the past 3 years raise serious concerns about Russia's continued commitment to democracy. This drift away from democratic practices cannot and should not be ignored. The list of offending actions is long and disturbing. Since 2000, President Putin has seized control of national television networks and otherwise limited the freedom of expression to the point that the group "Reporters without Borders" ranks Russia 121st out of 139 countries in its worldwide press freedom index. The recent arrest of Mikhail Khodorkovsky set off alarm bells because of its blatant political motives, despite claims otherwise. President Putin's government has attempted to control the activities of nongovernmental organizations, religious organizations, and other pluralistic elements of Russian society in an attempt to mute criticism of the government. Russian troops in Chechnya have been allowed to suppress the rights of Russian citizens with impunity, including in the conduct of recent elections that fell far short of minimal international standards of freedom and fairness. And the list could go on.

Continued membership in the G-8 is very important to Russia and to President Putin personally. We should use this leverage to get Russia back on the democratic track. Allowing Russia to continue its involvement in the G-8 and to host the 2006 G-8 Summit while continuing to undermine democracy makes mockery of the very principles that bind the G-8 countries together. We need to take steps not to ensure that Russia lives up to the commitments it made when it joined this club of industrialized democracies. To do otherwise would be to shirk our responsibilities as a leader of the democratic world. I urge my fellow Senators to support this resolution.

#### NATIONAL RETIREMENT PLANNING WEEK

Mr. AKAKA. Mr. President, I rise today to illuminate the merits of National Retirement Planning Week, which is currently underway. National Retirement Planning Week is organized by a coalition of financial industry and advocacy organizations to raise

the awareness of the importance of retirement planning. I applaud the coalition for its efforts to increase public awareness of this critical topic.

The need to adequately prepare for retirement has significantly increased due to the growth in life expectancy and reduction in employer-provided retirement health benefits. In addition, increasing debt burdens confronting many families will make a comfortable retirement more difficult to achieve.

Americans are living longer. According to the U.S. National Center for Health Statistics, in 1950, an individual 65 years of age was expected to live an additional 13.9 years. This grew to 17.9 years by 2000. These additional years, many or most in retirement, will require Americans to have saved and invested additional financial resources to help meet their living expenses in retirement. Furthermore, the fastest growing segment of the population is made up of those 85 years and older, according to the Bureau of Labor Statistics.

While Americans have been living longer, employers have been reducing the health benefits provided to retirees. According to the Kaiser Family Foundation and Health Research and Education Trust, 38 percent of all large firms offer retirement benefits in 2003. This is a significant reduction from the 66 percent that offered retiree coverage in 1988. As employers continue to stop providing coverage and as health care costs continue to increase, proper planning is imperative for individuals to pay for healthcare expenses that may not be covered by Medicare.

In addition, another important component of preparing for retirement is to effectively manage and pay down debt. According to the Federal Reserve, consumer borrowing through auto loans, credit cards, and other debt increased by \$15.1 billion in September, which brings the total consumer debt to \$1.97 trillion. Substantial consumer debt will likely result in individuals having to work additional years beyond their preferred retirement age in order to pay off their credit cards and other consumer debts.

Obtaining home equity loans and refinancing mortgages to take cash out of homes may make it harder for working Americans to retire at the age and with quality of life they desire. Thirty-two percent of all mortgage refinancings in the third quarter of this year involved cash-outs of additional money beyond the existing loan balance, according to Freddie Mac. Although this is significantly lower than the record 93 percent in 1989, the additional debt brought on by these refinancings can significantly extend the time and cost of paying off a mortgage.

There is a greater need for larger nest eggs and better debt management. Unfortunately, defined benefit pension plans have become much less common and are not available for most working Americans to help meet these increas-

ing costs. According to the Congressional Research Service, 72 percent of pension plan assets were held by defined benefit plans in 1975. Unfortunately, by 1998, this percentage fell to 48 percent. Changes in the contributions to pension plans and benefit payments between 1975 and 1998 also reflect the significant shift towards defined contribution retirement plans. Defined contribution plans require that employees be much more involved in their preparation for retirement. Employees must be aware of their alternatives in participating in their employer's plan. The matching contributions made by employers can provide employees with an immediate return on their investment. Employees must fully understand the importance of planning for retirement and the significance of participating in tax-advantaged employer plans and investment options that can be used, such as Individual Retirement Accounts, IRAs, to ensure that they will have sufficient resources for retirement. In addition, defined contribution plans require employees to manage their investments and make important asset allocation decisions. If employees do not have a sufficient level of financial literacy they will not be able to adequately manage their retirement portfolio.

Despite the need to ensure that employees have adequate resources for retirement, fewer employers are sponsoring plans and fewer employees are participating in employer-sponsored plans. According to a Congressional Research Service analysis of the Census Bureau's Current Population survey, the number of 25-to 64-year old, full-time employees in the private sector whose employer sponsored a retirement plan fell from 45.1 million in 2001 to 42.8 million in 2002. The survey also indicated that, among this population, participation in an employer sponsored retirement plan fell from 55.8 percent in 2001 to 53.5 percent in 2002. More employers must sponsor retirement plans and more employees need to participate in them. Working Americans will be in a better position to retire on their terms by starting to prepare for retirement early and utilizing investment vehicles that have preferential tax treatment such as 401(k) plans and Individual Retirement Accounts. A long-term time horizon allows investors to reap greater benefit from the compounding of their returns.

An important component of retirement security is financial and economic literacy, which should be at higher levels in our country. We must do more throughout the lives of individuals to ensure that they are financially and economically literate and can make informed financial decisions and participate effectively in the modern economy. Without a sufficient understanding of economics and personal finance, individuals will not be able to appropriately manage their finances, evaluate their credit opportunities, and successfully invest for their long-term financial goals.